

**FILE COPY**



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



DARLENE GREEN  
Comptroller

DR. KENNETH M. STONE, CPA  
Internal Audit Executive

*Internal Audit Section*

Carnahan Courthouse Building  
1114 Market St., Room 642  
St. Louis, Missouri 63101  
(314) 622-4723  
Fax: (314) 613-3004

October 14, 2011

Richard T. Bradley, P.E., President  
Board of Public Service  
1200 Market Street  
City Hall Room 301  
St. Louis, MO 63103

RE: Community Development Block Grant (CDBG) (Project #2011-CDA35)

Dear Mr. Bradley:

Enclosed is a report of our fiscal monitoring review of the Board of Public Service, CDBG program for the period January 1, 2010 through December 30, 2010. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of the Agency. Fieldwork was completed on July 26, 2011.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the Community Development Administration (CDA) to provide fiscal monitoring to all grant subrecipients.

If you have any questions, please contact the Internal Audit Section at 314-622-4723.

Sincerely,

A handwritten signature in black ink that reads "Kenneth M. Stone".

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

cc: Jill Claybour, Acting Executive Director, CDA  
Lorna Alexander, Special Assistant for Development, CDA



# CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**BOARD OF PUBLIC SERVICE  
CONTRACT #CDBGR-4 AND #10-29-95  
CFDA #14.253 AND #14.218**

**FISCAL MONITORING REVIEW**

**JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**

**PROJECT #2011-CDA35**

**DATE ISSUED: OCTOBER 14, 2011**

**Prepared By:  
The Internal Audit Section**



## OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
BOARD OF PUBLIC SERVICE  
FISCAL MONITORING REVIEW  
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**

**TABLE OF CONTENTS**

<b>Description</b>	<b>Page(s)</b>
<b>INTRODUCTION</b>	
Background	1
Purpose	1
Scope and Methodology	1
Exit Conference	1
<b>SUMMARY OF OBSERVATIONS</b>	
Conclusion	2
Status of Prior Observations	2
A-133 Status	2
Summary of Current Observations	2
<b>DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGERMENTS'S RESPONSES</b>	<b>3</b>

## INTRODUCTION

### Background

**Contract Name:** Board of Public Service

**Contract Numbers:** 10-29-95 and CDBG-R-4

**CFDA Numbers:** 14.218 (10-29-95)  
14.253 (CDBG-R-4)

**Contract Periods:** January 1, 2010 through December 31, 2010 (10-29-95)  
January 1, 2010 through September 30, 2012 (CDBG-R-4)

**Contract Amounts:** \$77,000 (10-29-95)  
\$2,923,500 (CDBG-R-4)

This contract provided Community Development Block Grant (CDBG) funds from the Community Development Administration (CDA) to the Board of Public Service (Agency) for the sidewalk improvement program.

The Board of Public Service will complete eleven (11) public improvement projects using CDBG-R funds. These projects will improve the infrastructure of the City of St. Louis while providing improved access to public facilities.

### Purpose

The purpose of this fiscal monitoring review was to determine the Agency's compliance with federal, state, and local CDA requirements for the period January 1, 2010 through December 31, 2010. Recommendations for improvements will be made as considered necessary.

### Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by CDA. Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork was completed on July 26, 2011.

### Exit Conference

The Agency was offered the opportunity for an exit conference on October 7, 2011 but the Agency declined.

## **SUMMARY OF OBSERVATIONS**

### **Conclusion**

The Agency did not fully comply with federal, state, and local CDA requirements.

### **Status of Prior Observations**

The Agency's previous fiscal monitoring report, Project #2009-CDA57, issued December 2, 2009, contained no observations.

### **A-133 Status**

That Agency is City department, and is covered under the City of St. Louis single audit under OMB Circular A-133.

### **Summary of Current Observations**

A Recommendation was made for the following observation, which if implemented could assist the Agency in fully complying with federal, state, and local CDA requirements.

- Opportunity to submit monthly financial and programmatic reports in a timely manner

## **DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES**

### **Opportunity To Submit Monthly Financial And Programmatic Reports In A Timely Manner**

The Agency did not submit monthly financial reports for contract #CDBGR-4 from April 2010 through December 2010. In addition, the Agency did not submit the following quarterly programmatic reports, for contract #CDBGR-4, in a timely manner.

- June 2010 report was submitted on July 9, 2010
- September 2010 report was submitted on October 7, 2010

Contract #CDBGR-4 states, "The Operating Agency shall furnish complete and accurate financial and programmatic reports to the Comptroller's Office Federal Grants Section no later than the 5<sup>th</sup> calendar day of each month following the reporting month."

The Agency did not have a system of control in place to ensure compliance with the reporting requirements of the grant contract.

Non-compliance with the CDA regulations may cause a delay or suspension in the processing of reimbursement requests in interruption in the Agency's service to its clients.

### **Recommendation**

It is recommended that the Agency comply with grant contract's reporting requirements and submit the monthly financial and programmatic reports by the 5<sup>th</sup> day of the month following the reporting month.

### ***Management's Response***

*A monthly financial report form was not included in the original grant funding contract documentation given to the Board of Public Service from CDA. At no point during this period was the Board of Public Service notified that a monthly financial report was required for this contract. The monthly financial report will be submitted from this date forward now that we are aware it is required under this contract.*

*The Board of Public Service submits the programmatic report each month. The quarterly reports are created by CDA based on our monthly reports. It was discovered during a conversation with Internal Audit that the CDBG-R programmatic reports are required by the 5<sup>th</sup> of the month not the 10<sup>th</sup> of the month which is the normal required report date of all CDA grants. The contract documentation forwarded to B.P.S did not indicate a due date of the 5<sup>th</sup> of the month. Page B9, the page this date appears in the contract, was missing from our documentation. All programmatic reports from this date forward will be submitted by the 5<sup>th</sup>.*